STANDARD

PROCEDURE

E-4200

PROGRAM: Standard Work Aids

PROJECT: Earned Value Management

SUBJECT: Organizational Breakdown Structure

Authorized by: _____
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Dated on _____

Total Pages 7

1.0 PURPOSE

1.4. The purpose of the Organizational Breakdown Structure (OBS) is to provide a visual depiction of the project's organizational relationships and to relate work packages to their performing organizations.

1.5. Since most projects require resources from more than one Center this tool was created to enable project team members and their functional leaders to more easily understand where the work will be performed.

2.0 SCOPE

2.1. The Organizational Breakdown Structure (OBS) identifies the responsibilities, hierarchy, and interfaces between organizations that will be working on a project. This structure assists us in understanding the project from an organizational perspective rather than only from a task-based perspective.

3.0 REFERENCE DOCUMENTS

4.0 DEFINITIONS AND ACRONYMS

4.1. Organizational Breakdown Structure (OBS) [Tool] A hierarchically organized depiction of the project organization arranged so as to relate the work packages to the performing organizational units. (AKA Organization Breakdown Structure) A Guide to the Project Management Body of Knowledge (PMBOK Guide) Third Edition, 10th Anniversary (2004)

5.0 RESPONSIBILITIES

6.0 METHODS, METHODOLOGIES, OR SPECIFICATIONS

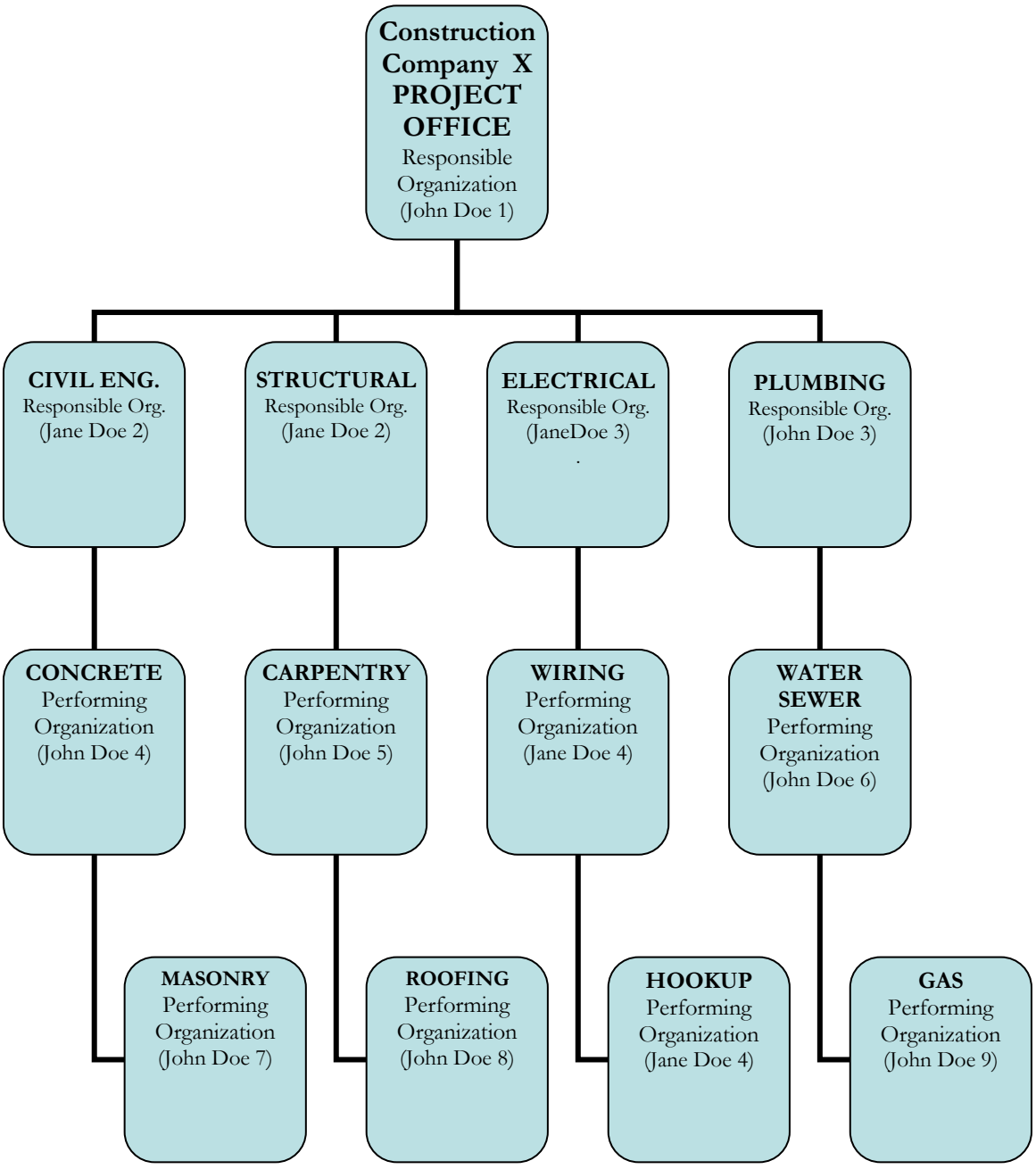
6.1. In a visual depiction the OBS is structured first by Responsible Organization (i.e. Center, Division, Code, etc.) and secondly, by the Performing Organization at the lowest level (for example: Branch Level).

7.0 FLOW CHARTS/MAPS

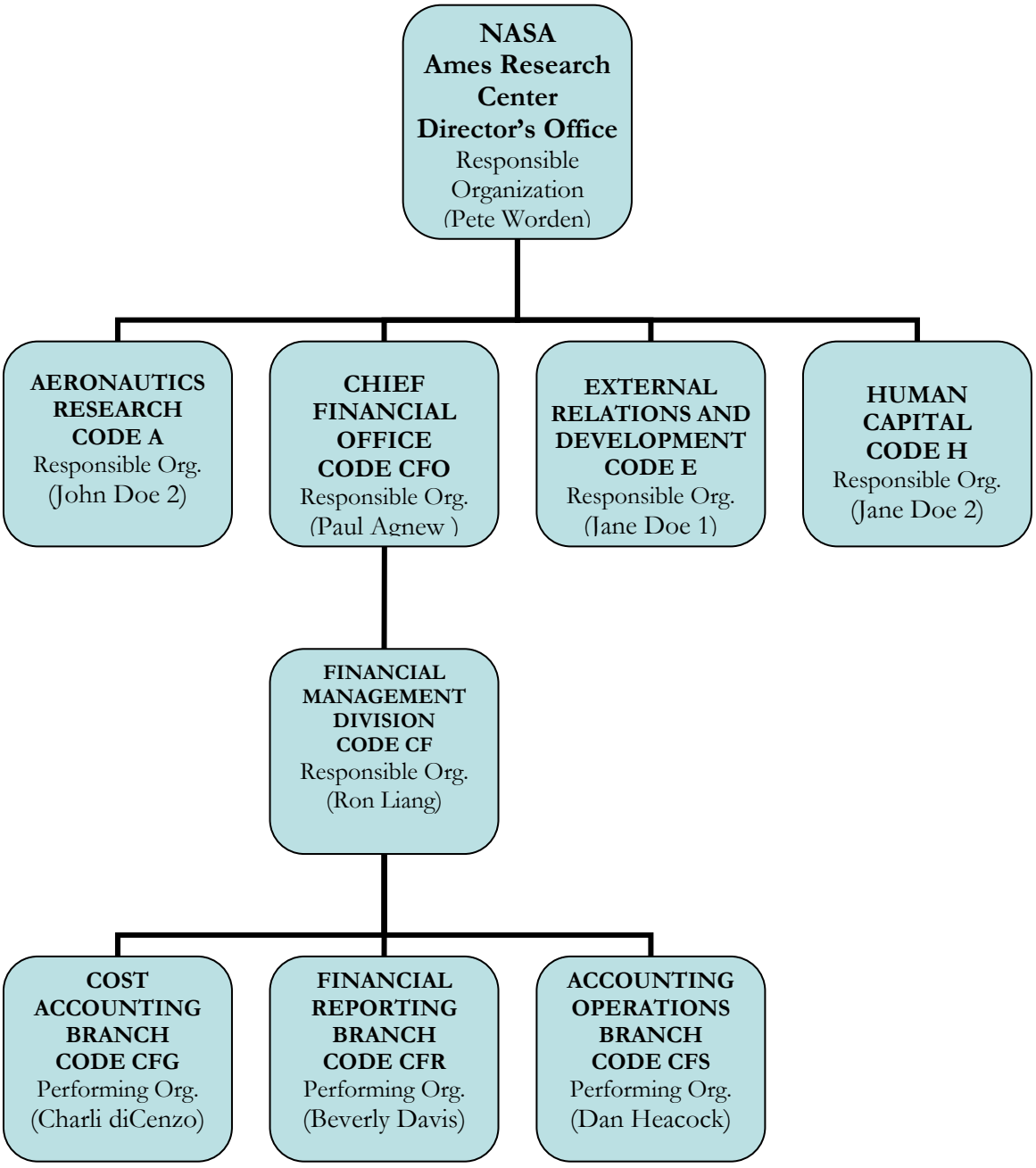
7.1. See attached Standard Procedure E-3010 a) Sample Program or Project Functional Organization Chart

7.2. Below is a generic example for Construction Company X.

7.2.1 Generic Organizational Breakdown Structure (OBS)



7.3. Below is a NASA example:



8.0 PROCEDURE

8.1. In building an Organizational Breakdown Structure one has to begin with the project Work Breakdown Structure (WBS). A project WBS is a deliverable or product-oriented grouping of project work elements shown in a hierarchical, numerical or graphical display to organize and subdivide the total work scope of a project. Each descending level represents an increasingly detailed definition of the project work

8.2. Once the WBS is developed, the appropriate resources and responsibilities need to be assigned. The first step in assigning these responsibilities and resources is to develop an Organizational Breakdown Structure (OBS) for the project. The OBS indicates the organizational relationships and is used as the framework for assigning work responsibilities. Above in Paragraph 7.2 is a generic example of an OBS for Construction Company X. Paragraph 7.3 is a NASA-specific example from Ames. The OBS is structured first by Responsible Organization and secondly, by Performing Organization at the lowest level. This Performing Organization level is where the responsibility and resources are needed to accomplish the project work that will be assigned. With the relationships and responsibilities defined, the final step is to merge the WBS and OBS into the Responsibility Assignment Matrix (RAM). Which is .discussed in Standard Procedure E-4300 Responsibility Assignment Matrix..

8.3. How the Organization Breakdown Structure is built:

8.3.1 The first step in building an Organizational Breakdown Structure is to build a Project Functional Organization Chart (see Standard Procedure E-3010 Project Functional Organization Chart).

8.3.1.1 This Project Functional Organization Chart is used to identify the roles necessary in a project and to provide a visual representation of that framework. Its purpose is to identify the work areas within which the project will need to complete its work and to communicate the same to their team, and others.

8.3.1.2 All projects have functions, or activities to be performed to produce a deliverable.

8.3.1.3 If these functions or activities are placed into logical groupings, they can be arranged under general responsibility areas through which we can assign like activities to one individual for purposes of accountability. Assigning activities to one individual is useful as it simplifies communications, knowledge accumulation and transfer, and also provides something that is usually lacking in many entities -- accountability.

8.3.1.4 In structuring our project team, we take the generic major functional headings and first analyze our work effort from that perspective. With roles such as Project Sponsor, Project Steering Committee, Project Manager, Deputy (or Project Lead), Project Office Lead, Product/Vendor Consultant, Contract Technical Representative, Subproject Lead, Requirements Analyst, Technical Architect, Training Lead, and Test Lead, we attempt to categorize our work effort. This is done in order to first understand and then to simplify the definition of our planning and implementation tasks.

8.3.1.5 Under these headings we can then group the tasks that need to be completed in order to finish our project.

8.3.1.6 Lastly, a responsible party needs to be chosen for each of these functional headings (or those that are applicable to our project) and overall accountability for each area will be assigned to that party.

8.4. As mentioned above, it is through the Work Breakdown Structure (WBS), work is defined to a level where unique organizational and personal responsibilities can be established. This may take place at any one of several levels within the project (i.e. Element Levels) and the functional organization (i.e. Performing Organization Levels). The individual assigned responsibility for accomplishing work at the Control Account Level is often designated a Control Account Manager (CAM). Control Accounts (CA's) are then divided into smaller, discrete scopes of work called Work Packages, and a Work Package Manager is assigned to each work package. All work scope, whether performed in-house or through a subcontract, is included in the WBS and the WBS Dictionary, which is contained in the Control Account(s). Integrating the WBS with the project and functional organizations at the Control Account Level assures that all work is accounted for, and that each element of work is assigned to the level of responsibility necessary for planning, tracking progress, accumulating costs, and reporting. Assignment of responsibility is depicted on a Responsibility Assignment Matrix (RAM). RAMs are discussed in Standard Procedure E-4300 Responsibility Assignment Matrix.

9.0 METRICS

10.0 OTHER DOCUMENTS, PROCEDURES OR FORMS RELEVANT TO THIS PROCEDURE

10.1. E-3010 Project Functional Organization Chart
10.2. E-3010 a) Sample Program or Project Functional Organization Chart

10.3. E-3020 Program/Project Roles and Responsibilities
10.4. E-4300 Responsibility Assignment Matrix (Reserve)
10.5. G-6020 a)Work Breakdown Structure (WBS)

11.0 NECESSITY

11.1. Since most projects require resources from more than one Center, this tool was created to enable project team members and their functional leaders to more easily understand where the project work will be performed.

11.2. In other words, the intent is to provide the framework within which work packages are to be assigned from an organizational perspective.

11.3. The Organizational Breakdown Structure (OBS) and the Work Breakdown Structure (WBS) are used together to build a Responsibility Assignment Martix (RAM). The RAM displays the lowest level of both the WBS and the OBS. It is at this intersection that responsibility for specific project tasks are assigned and is the point at which the EVM Control Account is developed for tracking packages of work.

12.0 QUALITY RECORDS

13.0 FORMS